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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re:

USA Commercial Mortgage Company,

Debtor.

Case No. BK-S-06-10725-LBR

Chapter 11

**DECLARATION OF GEOFFREY L.
BERMAN IN SUPPORT OF
OMNIBUS OBJECTION OF USACM
TRUST TO PROOFS OF CLAIM
BASED UPON INVESTMENT IN
THE FIESTA OAK VALLEY LOAN**

Hearing Date: October 18, 2011

Hearing Time: 1:30 p.m.

Estimated Time for Hearing: 10 minutes

1. I am an adult person competent to testify in court.

2. I make this declaration based upon my personal knowledge, and upon the records USA Commercial Mortgage Company.

3. I am the Trustee of the USACM Liquidating Trust ("USACM Trust"), which is an entity created by the Debtors' Third Amended Joint Chapter 11 Plan of Reorganization ("Plan"), in the jointly-administered bankruptcy cases, In re USA Commercial Mortgage Company, BK-S-06-10725-LBR, pending in the United States Bankruptcy Court for the District of Nevada.

4. USACM circulated an Offer Sheet to prospective Direct Lenders soliciting funding for an acquisition and development loan to a borrower identified as "Oak Valley

Land Investors.” A copy of the Offer Sheet is attached hereto as **Exhibit B** and incorporated by this reference. The Offer Sheet stated that the borrower was a joint venture between USA Investment Partners and Fiesta Development, and disclosed that USA Investment Partners was “an affiliate of USA Capital.” The total loan amount proposed was \$20,500,000. The loan proceeds were to be used by Borrower to complete the acquisition of the property, and provide funds for engineering and entitlement work. The Offer Sheet described the investment as a “First Trust Deed Investment” and noted that the investment would be secured by a first deed of trust on approximately 1,540 acres located on Interstate 10 in Calimesa, California, between Redlands and Beaumont/Banning. The Trust located an appraisal in USACM’s file that was prepared by Michael Frauenthal & Associates, Inc., dated November 15, 2004, which provided that the “as-is” value of the collateral as of November 5, 2004 was \$60,000,000.

5. On June 15, 2004, Borrower made and delivered to various lenders, including the Direct Lenders identified in **Exhibit A**, a “Promissory Note Secured by Deed of Trust” (the “Note”) and a Loan Agreement.

6. The Note and Loan Agreement provided for a loan in the initial principal amount of \$20,500,000.

7. The Note was secured by two Deeds of Trust, Assignment of Rents, Security Agreement and Fixture Filing, (collectively the “Deed of Trust”) that were recorded in the official records of Riverside County and San Bernadino California on June 17 and June 18, 2004, respectively.

8. The Note was also supported by an Unconditional Guaranty executed by Tom Hantges and Joseph Milanowski dated June 14, 2004.

9. The USACM “Loan Summary” dated July 31, 2006 and filed in this case shows that Borrower was non-performing on the Note as of July 31, 2006. The USACM

1 “Loan Summary” dated February 28, 2007 and filed in this case shows that Borrower was
2 in “Interest Default.”

3 I declare under penalty of perjury that the foregoing is true and correct.

4 Dated: September 15, 2011

6 /s/ Geoffrey L. Berman

Geoffrey L. Berman

8 Copy of the foregoing mailed (without
9 Exhibits) by first class postage prepaid
U.S. Mail on September 15, 2011 to
10 All investors listed on Exhibit A
Attached, and to:

11 **Debt Acquisition Company of America**
12 1565 Hotel Circle South, Suite 310
San Diego, CA 92108
13 info@daca4.com

14 **Mesa Verde RE Ventures LLC**
2 Park Plaza, Suite 1250
15 Irvine, CA 92614

16 **Kenneth Hennesay**
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17 1900 Main St Fifth Flr
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18 Attorneys for Mesa Verde RE Ventures LLC.

19 /s/ Matt Burns

20 Matt Burns, Paralegal
Lewis and Roca LLP